

APPENDIX "A"  
Major Terms and Conditions  
1900 Dundas Street West

Leased Premises:

1900 Dundas Street West – approximately 25,680 square feet

Landlord:

Nestle Canada Inc.

Term:

Five (5) years; having a Commencement Date of September 1, 2006 and ending on August 31, 2011.

Rental Rate:

The annual Basic Rental Rate shall be \$8.98 per sq. ft. net per annum,

Additional Rent/Operating Expenses:

The Additional Rent is estimated at \$8.84 per sq. ft. of rentable area, per annum

Option to Renew:

The Tenant will have the option to renew the lease for five (5) years upon giving at least six (6) months notice prior to the expiration of the lease on the same terms and conditions, except for the basic net rental rate and additional rent which shall be fair market rental rate and shall be negotiated thirty (30) days prior to the renewal.

Municipal Capital Facility and Taxation Exemption:

The Landlord acknowledges that the Tenant has the right in its discretion, to request Council to exempt the leased Premises from taxation for municipal and school purposes if the Tenant considers that the Leased Premises may be used as a municipal capital facility. Provided Council grants satisfactory approval to this effect, the Landlord agrees to enter at its sole cost and expense into the necessary municipal capital facility agreement with the Tenant pursuant to Section 110(1) of the Municipal Act, 2001, as amended, in a form acceptable to the City Solicitor and legal counsel for the Landlord and to pass the full benefit of such exemption onto the Tenant during the entire period of any such exemption.